

MGT RESOURCES LIMITED

(FORMERLY KNOWN AS MONO RESOURCES LIMITED)

ANNUAL REPORT

2010



ACN 131 715 645

TABLE OF CONTENTS

CHAIRMAN'S REPORT	3
DIRECTOR'S REPORT	5
GEOLOGICAL REPORT	10
CORPORATE GOVERNANCE POLICY	22
AUDITOR'S INDEPENDENCE DECLARATION	35
CONSOLIDATED FINANCIAL STATEMENTS	36
DIRECTORS DECLARATION	65
AUDITOR'S REPORT	66

Dear Shareholders,

On behalf of the Board of Directors, I present the MGT Resources Annual Report for the year ended 30th June 2010.

Among other recent developments, MGT Resources Limited ("MGT" or "The Company") changed its name from Mono Resources Limited. This reflects our transition as a company to becoming shortly a fully-fledged producer based in the Mount Garnet Tin region through our 75% owned subsidiary MGT Mining Limited (formerly Xtreme Resources Limited). It is particularly exciting for us to begin tin production at this time, as the metal has now become the most valuable traded on the London Metals Exchange, reflecting its increasingly widespread use, notably in electronics, combined with worldwide supply constraints. As well as tin, MGT aims to become a significant gold producer based around the Pyramid project described in more detail below.

MGT Mining is currently in the process of upgrading the Mount Veteran Plant to process hard rock tin ore at a rate of 10t per hour, or around 50kt p.a. The anticipated completion for this initial upgrade is October 2010. The Company is planning a further upgrade to 25t per hour, or around 250kt p.a., within the following six months. Amongst the many new upgrades, the Company has acquired a state of the art Falcon Concentrator to maximize recovery of tin. This technology will enable MGT to deliver faster and more effective tin recovery once the plant reaches operational status.

The Plant represents a unique opportunity to start producing tin concentrate and tin metal in the near term. By drill testing the many known mineralised areas in and around the historic high-grade mines, the company aims to prove up small resources and reserves to realise near-term production. Many of these historic high-grade mines in MLA 20547 are located within a 3km radius of the Plant, while the notable Smiths Creek mine area is a 14km linear distance from the Plant.

During April 2010 MGT Mining commenced its second drilling program. The Company completed 43 holes for 2,461m of RC drilling. The program was designed to extend and infill the previous drilling program by testing the near-surface weathered oxide zones of mineralisation. The aim of the program was to find pods of mineralisation of sufficient grade and tonnage for economic recovery. The Company tested strike and parallel extensions of known mineralised pods, which were found by trenching and ground magnetic surveys. Of the drill holes assayed, 11 have significant intercepts (intercepts of at least 1m) of over 0.4% Sn, and 4 have significant intercepts of over 1% Sn.

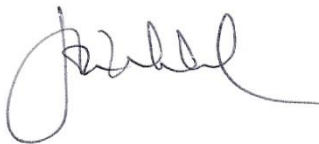
The results indicate that around the previously-identified pods of mineralisation there is a significant amount of high-grade (> 1% Sn) mineralisation at shallow depths (< 50m). This is important because at such high grades the metallurgical recovery rates will be high. MGT Mining estimates that with head grades of 1-1.5% Sn, it can achieve, at the upgraded Mount Veteran Plant, recovery rates of close to 80%.

The assay results for the Dalcouth and Extended prospects indicate that there is a lot of near-surface (< 50m) mineralisation that can potentially be incorporated into a resource model. MGT Mining expects that it will be able to use a lower cut-off grade of ~0.4% for resource modelling (since below

0.4% the metallurgical recovery rate will drop and mining costs will increase). So any intercepts of above 0.4% Sn could potentially be incorporated into a resource model.

Turning to potential gold projects, MGT Mining owns the Pyramid project, which is located in the Drummond Basin's epithermal gold belt, southeast of Charters Towers, in east Queensland. Previous drilling over the Pyramid project area has resulted in both high grade (8m at 18.08g/t Au) and large (114m at 0.49g/t Au) mineralised intersections. Given some highly favourable field observations by MGT's senior consulting geologist, Jacob Rebek, the Company is currently planning a comprehensive drilling program over the Pyramid project area.

The next year promises to be a very exciting one for MGT as we reach production at Mount Garnet and expand our exploration work at both Mount Garnet and Pyramid. On behalf of the Board, I would like to thank you for your continuing support as shareholders and for the contribution by our management and employees towards the company's activities and the milestones already reached.



Jonathan Paul Back

Chairman

Dated: 29th September 2010

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
DIRECTORS' REPORT
30 JUNE 2010

The Directors of MGT Resources Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the directors reports as follows:

Information about the directors and senior management

The names of the Directors in office at any time during or since the end of the financial year are:

<u>Name</u>	<u>Particulars</u>
Jonathan Paul Back	Chairman, appointed 01 February 2010
George Monemvasitis	Director, appointed 30 June 2008
Rado Jacob Rebek	Non-Executive Director, appointed 01 February 2010
Hai Jun Li	Non-Executive Director, appointed 14 April 2009

The above named directors held office during the whole of the financial year and since the end of the financial year except for:

Gary Kuo	Resigned 01 February 2010
Xiao Long Zhang	Resigned 01 February 2010

Names, qualifications, experience and special responsibilities about the directors and senior management:

Mr Jonathan Paul Back (LLB, BCL) - Chairman

Mr. Jonathan Back is a qualified solicitor in England and Wales. Prior to working as a lawyer, Jonathan graduated from Oxford University having won the Vinerian Scholarship for the best performance in the Bachelor of Civil Laws Degree. Jonathan has over 18 years of experience in law and finance internationally, having spent significant periods in Europe, Hong Kong and Australia. Jonathan first worked as a lawyer for the leading UK firm Linklaters for 4 years, specializing in large project finance transactions. This included the acquisition of the Gladstone Power Station in Queensland by a consortium expanding the Boyne Island aluminium smelter. Jonathan then worked for Schrodgers in the UK and in Hong Kong where he also focused on large infrastructure and energy projects including large power station projects in Portugal and the UK as well as port and energy projects across Australia and Asia. Following this Jonathan worked with Goldman Sachs in Hong Kong focusing on raising equity capital for telecoms and technology companies. Jonathan was then recruited by JPMorgan to join their equity team in Hong Kong, which he ran until 2007. During this time he worked on numerous transactions across different industries. Since leaving JPMorgan, Jonathan has been a principal in a partnership investing in a variety of businesses with the largest focus being on natural resources.

Mr George Monemvasitis (OMIE Aust, MAICD) - Director

Mr. George Monemvasitis is an Engineer and an investor. A graduate in Mechanical Engineering from the Institute of Technology, Sydney, Mr Monemvasitis has over 10 years experience in engineering analysis of resource sector capital raising both within Australia and China. A member of the Australian Institute of Company Directors, Mr Monemvasitis brings a wealth of technical knowledge and corporate governance.

Mr. Rado Jacob Rebek – Non-Executive Director

Mr Rado Jacob Rebek is a graduate from the Faculty of Mining & Metallurgy of the University of Ljubljana Slovenia. Mr Rebek graduated in 1967 and was engaged in geological mapping in Slovenia and Algeria for several years before joining CRA Exploration in 1970.

During 34 years of employment with the Rio Tinto Group he was involved in field exploration in PNG and Australia and subsequently management of major exploration projects for the Group. From 1998 to 2000 Mr Rebek was the Exploration Director for Rio Tinto in South America based in Santiago, Chile involved in the review of iron ore potential in Brazil and the development of new copper and iron ore prospects and other base metals. From 2001 to 2004 he was responsible for new project generation based on field work in Western Australia, Eastern Australia, Brazil, Peru, Argentina, Chile, China, Mongolia, Iran and Russia.

After retiring from fulltime employment with Rio Tinto in May 2003 Mr Rebek completed a two year consulting contract with Rio Tinto, which terminated by mutual agreement in May 2005.

Since 2005 he has worked on a variety of projects in Australia and Chile for Mineral Securities Limited, Argonaut Resources NL and Hudson Resources Ltd

Mr. Li Hai Jun – Non- Executive Director

Mr Li holds a Bachelor of Mechanical Engineering degree from the Beijing Architecture Engineering University, China. He has worked as a Mechanical Engineer for the Beijing Engineering Research Institute and as a Project Manager for the China National Technical Import and Export Corporation (CNTIC). Since the 1950's, CNTIC has imported plant and equipment for more than 280 projects for the nation in the iron & steel sector, with the total contract value reaching 7.8 billion US Dollars. Large sized complete plants and equipment have been imported by CNTIC for 46 iron & steel works and 66 non-ferrous metal enterprises. CNTIC was the biggest importer at that time in charge of governmental purchasing in new production lines and know-how transfer from abroad during Mr Li's employment. Most notably he worked with the First Business division on over 30 key projects including Ma An Shan Steel. From 1990-1993 Mr Li worked as assistant to the Asia Pacific regional director for Thyssen Wagner in Germany and then moved to Inter Fx Service in Beijing. He also worked for Inter and Golden Mall in Singapore for several years as Managing Director.

At present Mr Li is General manager of Unico Development Limited in Beijing providing consulting services to clients globally. From 2006 Mr Li has represented Murchison Metals in China and he established Iron Ore offtake agreements for Murchison with Shougang International and assisted in establishing Murchison's relationship with Sinosteel.

Company Secretary

Alex Moody held the position of company secretary of MGT Resources Limited at the end of the financial year. Alex holds a Bachelor of International Relations from Bond University, Queensland. Upon graduating, Alex was hired in the field of mining and earthmoving equipment financing. Alex brings the experience of owning and operating his own business for several years.

Directors' shareholdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report.

Directors	MGT Resources Ltd Fully paid ordinary shares Number
Jonathan Paul Back	12,700,000
George Monemvasitis	8,700,001
Rado Rebek	-
Hai Jun Li	200,000

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in note 23 of the financial report.

Principal activities

MGT Resources and its 75% owned subsidiary MGT Mining Limited (formerly known as Xtreme Resources Limited) has taken a very positive step forward in augmenting its current tin and gold resources in the Mt Garnet district, having acquired the Mt Veteran Mill and having applied for a Mining Lease over the adjacent tenements at Summer Hill in far North Queensland.

Review of operations

The consolidated net loss for the financial year after providing for income tax and before minority interest was \$800,340 (2009: profit of \$ 1,551,037).

Since the company's successful acquisition of approximately 75% of the issued shares in Xtreme Resources Limited (since renamed MGT Mining Limited), an unlisted company with mineral interests in Queensland, the company has invested capital in refurbishing the Mt Veteran tin mill and in successful drilling programs. The company continues to pursue its objective as set out in the prospectus to seek further investment opportunities in the resource sector.

Progress to Date

MGT Mining Limited has two historical mines, two advanced gold projects and several prospects on large exploration licenses over proven mineralized ground. MGT Mining has a balanced portfolio of advanced exploration gold and tin projects.

As a priority, the Company has undertaken an assessment of the historical resource with the aim of determining a JORC compliant Tin resource in Mount Garnet. In that process the company has confirmed excellent High Grade Tin Intercepts received from initial assays.

There is the potential to source Mill feed from the Summer Hill tin prospect (located within 5 km of the Mill) as well as the Smiths Creek tin Prospect located 15 km from the Mill. Within a 30 km radius of the Mill there are another 47 tin, tungsten and gold prospects within Tenements controlled by MGT Mining that also warrant further exploration. The Mill is currently undergoing a full-scale refurbishment to bring it up to operational status by late 2010 with state of the art new equipment

being installed to facilitate the best possible Tin Recovery process. The Mill will continue to be used to toll treat local miners' ore and buy tin concentrate for the purpose of exporting concentrate to Asian smelters.

MGT also intends to pursue exploration opportunity at its Pyramid Gold Project as a potentially world class bulk low grade gold mine.

Changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future developments

Disclosure of information regarding the likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The operations and proposed activities of the consolidated entity are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the consolidated entity's activities are expected to have an impact on the environment. It is the consolidated entity's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws. Mining operations may have previously been conducted on some of the Company's project areas and old workings including tailings dumps may remain from these operations. There may be a liability to rehabilitate these areas.

Dividends

There were no dividends paid or declared during the financial year.

Indemnification of officers and auditors

The company has insured all of the Director's of MGT Resources and its controlled entities. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount the amount of the premium paid. The consolidated entity has not indemnified its auditor.

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
DIRECTORS' REPORT
30 JUNE 2010

Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director).

Directors	Board of directors	
	Directors' meetings eligible to attend	Attended
George Monemvasitis	5	5
Jonathan Paul Back	5	4
Rado Jacob Rebek	5	0
Hai Jun Li	5	4

Non-audit services

No non-audit services were performed by the auditors during the financial year ended 30 June 2010.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not part to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration is included on page 19 of the financial report.

This directors' report has been made and signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



George Monemvasitis

Directors

Dated: 29th September 2010

MGT MINING LIMITED – GEOLOGICAL AND TENEMENT REPORT

Mt Garnet Project

In Mid 2010, MGT discovered high-grade Tin Mineralisation from its drilling program at Extended and Dalcouth. The project is located on the northeastern margin of the Georgetown Inlier, as defined by the Palmerville Fault.

Initial Drilling returned some of the best Tin intersections seen in Australia for some time. For Example, Drilling Results confirmed outstanding potential high grade intercepts at Summer Hill MLA 20547 Including, 2m @ 8% Sn, 3m @ 4.7% Sn, 4m @ 1.2% Sn with all significant intercepts being 50 Metres from the surface.

Excellent high grade Tin intercepts received from initial assay results including:

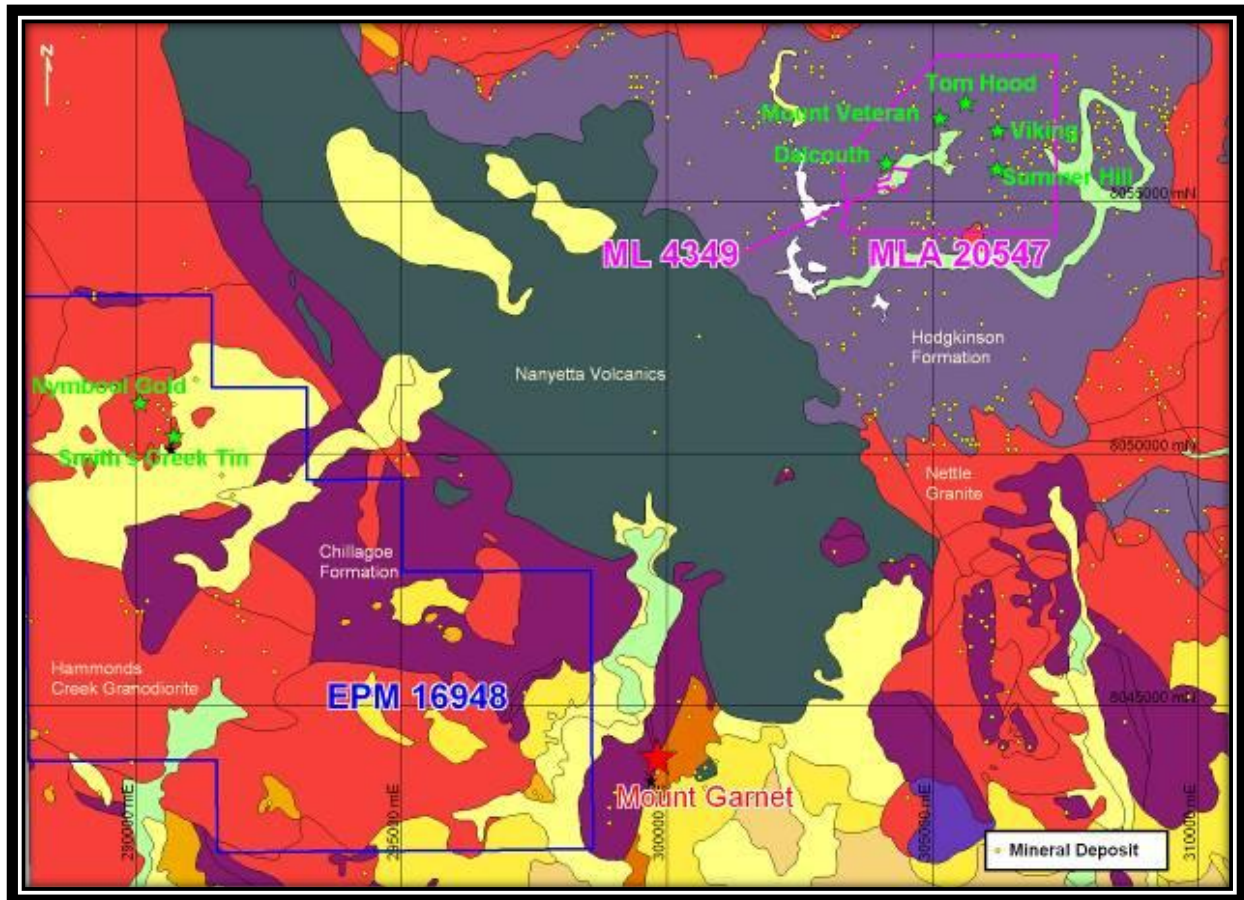
4m @ 1.2% Sn (SH03) between 33 to 40m, includes 1m @ 1.7% Sn

2m @ 8% Sn (X02) between 25 to 28m, includes 1m @ 15.75% Sn

5m @ 0.8% Sn (DAL 48) from 7 to 12m, includes 1m @ 2.6% Sn

3m @ 1.6% Sn (DAL50) between 19 to 24m, includes 1m @ 3.2% Sn

MGT intends to commence a major infill drill program with future exploration work focused on testing the continuity of the ore bodies and identification of new mineralised zones.



Simplified Geology of the Mount Garnet area

The Mount Veteran Plant

The Mount Veteran Plant ('the Plant') was constructed in 1980 to treat hard rock tin ores from deposits in the area now covered by MLA 20547. During the period 1984-2003 the tin price was low due to releases of metal from The Tin Council's stockpile and the US strategic stockpile. As a result, mining activity was at low levels and the Plant was operating intermittently; mainly as a toll treatment plant.

MGT is now leading the resurgence of tin mining around Mt Garnet, including the refurbishment of the Mt Veteran Plant. MGT Mining is currently in the process of implementing a new plant design by upgrading the Mount Veteran Plant to process hard rock tin ore at a rate of 10t per hour, or around 50kt p.a. The anticipated completion for this initial upgrade is October 2010.

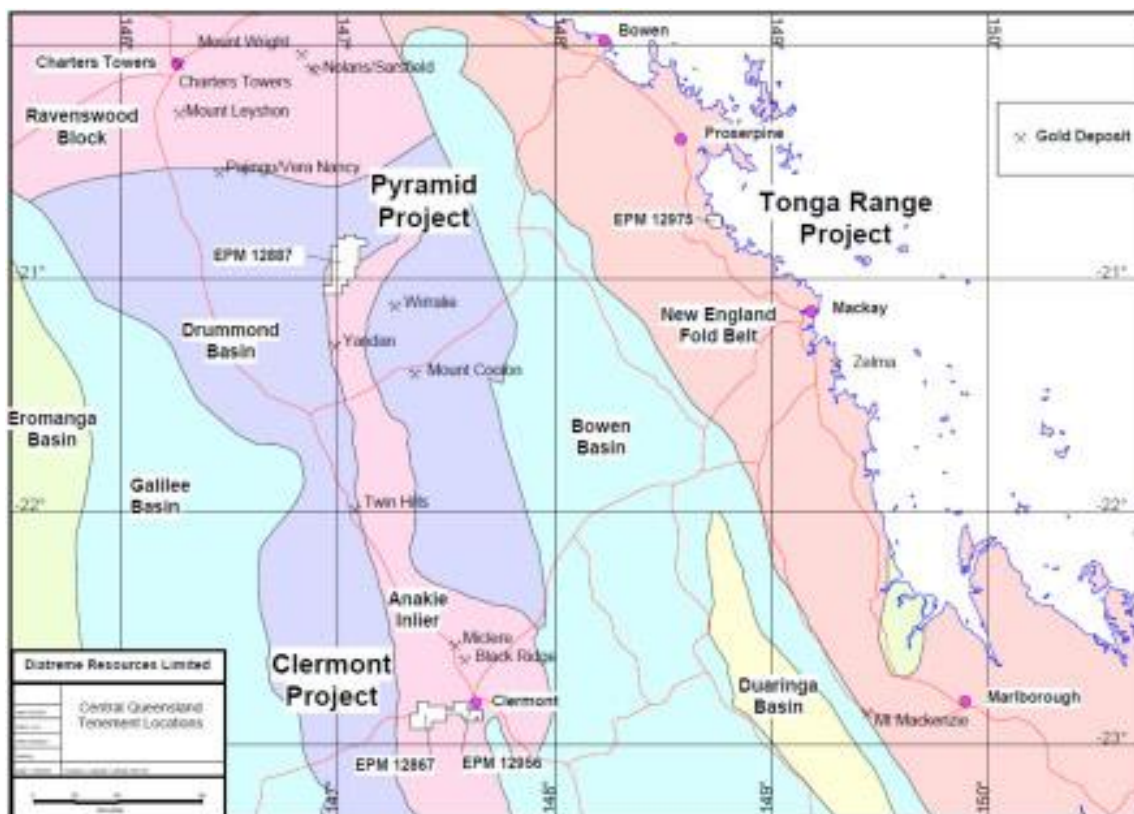
The Company is planning a further upgrade to 25t per hour, or around 250kt p.a. within the next six months.

The Pyramid Gold Project

Gettysberg and Sellheim Prospects, Pyramid EPM 12887

The Pyramid project is located within EPM 12887 in the Drummond Basin, North Queensland and is located on a major north-northeast trending belt of gold mineralisation developed over a strike length of 20 km. (Fig.1)

Access is from Townsville via the Flinders Highway to Mingela, then sealed road to the Burdekin Dam Falls and then by graded council road to Pyramid Station. This northern route via the Burdekin Dam is frequently closed during the wet season. Alternative access routes are by sealed road from Charters Towers to the Scartwater Homestead turn off, then by graded council road to Ukalunda Homestead which continues east to Collinsville and Bowen. Station tracks afford reasonable access to most parts of the EPM. The area is essentially open range grazing country, accessible by 4WD vehicle.



(Fig.1) Pyramid Project Location

Prospect Description:

Pyramid is composed of low hills and ranges between 200 and 300 m in elevation, with scattered topographic highs being generally formed by igneous plutons. Within the project area the highest elevation is 408 m, corresponding with the small volcanic peak at the Sugarloaf Prospect known as Breccia Knoll. The Bulgonnunna Volcanics form an elevated volcanic range to the northeast, with elevations up to 610 m.

Drainage in the project area flows northerly into the Sellheim River, which flows north-westerly into the Burdekin Dam.

Within the project area, the land surface is in an advanced state of dissection, with only a few scattered remnants of a Tertiary sediment and laterite profile (at approximately 300 m elevation), having been largely stripped off to reveal scattered low hills and a small range of Anakie Metamorphics.

The climate of the area is sub-tropical to semi-arid, being warm and dry in winter and hot and wet in summer. During the winter months of June to August, fine sunny days are usually accompanied by cool nights, with mean minimum and maximum daily temperatures ranging from 0 to 25°C. The summer months of November to March are warm to hot with little humidity and a mean daily temperature range from 18 to 35°C in January.

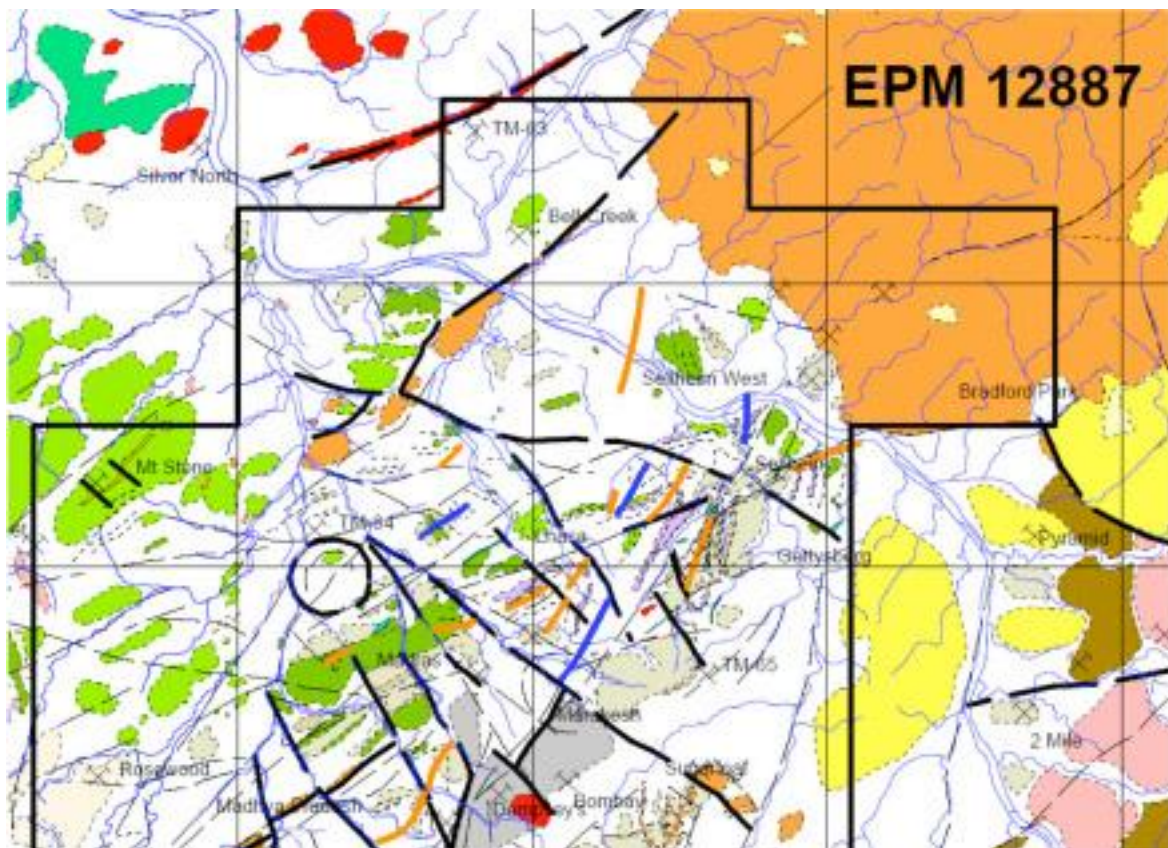
Average annual rainfall for the region is approximately 750 mm which is spread throughout the year, although the summer months of December to March are generally the wettest, with January recording an average of 90 mm. The driest months are April and May, each with an average rainfall of 40 mm.

Vegetation is dominantly open savannah grassland, with scattered eucalyptus and rosewood trees. The area has been largely cleared for cattle grazing purposes.























Regional Geology:

The Pyramid Project lies in the northeast of the Devonian to Carboniferous Drummond Basin and contains a north-northeast trending inlier of Late Ordovician Anakie Metamorphics. The inlier of Anakie Metamorphics divides this region from the main area of Drummond Basin sedimentation to the west. A thick wedge of the Late Carboniferous Bulgonnunna Volcanics forms the Bulgonnunna Block to the east. (Fig. 2) and Geology Legend (Fig.3).

The Drummond Basin is a large intracratonic basin that formed in response to east-west directed extension during the Late Devonian - Early Carboniferous. The basin has a NNW trend and is terminated at its northern boundary by a series of E-W trending faults, which define the southern margin of the Ordovician to Devonian Lolworth - Ravenswood Igneous Complex. To the east, the Drummond Basin is overlain by sediments of the Permian Bowen Basin, while Permo-Triassic sediments overlie the basin to the west.



(Fig.2) Regional Geological Map EPM 12887 "Pyramid"

Reference		
		Alluvium, soil cover
Suttor Formation		Laterite, silcrete, quartz sandstone, basal conglomerate
		Rhyolite ignimbrite, basal andesite
		Diorite
		Quartz feldspar porphyry
		Granodiorite
		Micro adamellite
Star of Hope Formation		Dacite tuff, lapili tuff
		Volcanolithic sand stones
Raymond Formation		Hematitic quartz sandstone, siltstone
Mount Halls Formation		Quartz pebble conglomerate, quartz sandstone
Scartwater Formation		Lithic sandstone, siltstone, mudstone
Silver Hills Volcanics		Rhyodacite
		Dacite tuff
Saint Anns Formation		Micaceous siltstone, mudstone
		Oolitic & algal limestone
		Quartz pebble conglomerate
		Lithic arenite
		Andesite tuff, Lapili tuff
Ukalunda Beds		Andesite lava
		Siltstone, arenite
Anakie Metamorphics		Schist & phyllite

(Fig.3) Regional Geology Legend

Gettysberg Host Rocks for Mineralisation:

The host rocks are the 'Saint Ann's Formation' sediments (siltstones, and sandstones). The Saint Ann's Formation is dominated by a sedimentary package consisting of feldspathic quartz sandstones, micaceous siltstones, thin beds of algal limestone's and quartz pebble conglomerates. Other surrounding Saint Ann's Formations that consist of gold hosting mineralisation in the Drummond Basin are located at the Pajingo, Yandan, Wirralie and Twin Hills gold deposits.



Qtz Breccia.

Structurally the area is complex and consists of a series of NNE and NNW plunging anticlines, with fault contacts near the conglomerates. An argillic altered rhyodacite dyke is present in the NW and narrow NNW trending andesite porphyry (boninite) dykes are also present.

Mineralisation at the Pyramid Project consists of Epithermal quartz veins, graphite-pyrite-sericite stylolitic veinlets and breccia matrix infills. This mineralisation is only hosted in micaceous sandstones of the Saint Anns Formation and appears to be of epithermal style. The gold mineralisation appears to plunge shallowly to the north and there has been limited drilling in this direction. Potential for extensions to the high-grade mineralisation is high.



Tabular Qtz Breccia Body 1.5m thick.

Previous Investigations:

The Pyramid Project is located near the Sellheim River area, where numerous small silver-lead-zinc deposits were worked during the late 1880's, including the Sunbeam, Sunset, Carrington and Walhalla deposits. From the late 1970's, several mining companies have explored the area around the EPM 12887 (Table 1).

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
GEOLOGICAL REPORT
30 JUNE 2010

Exploration in the area has been mainly directed towards locating epithermal gold mineralization.

EPM	Holder	Lodgment	Grant	Termination
1023	Amoco		3/05/72	22/03/73
2015	AOG		3/10/78	18/12/78
2890	Sandine NL	8/10/80	26/03/81	12/01/82
3125	No Holder Recorded	10/03/81	19/10/81	12/01/82
3663	No Holder Recorded	26/04/83	9/01/84	8/01/86
4424	Pajingo Gold Mine Pty Ltd	3/02/86	22/09/86	16/10/89
5250	Hunter Resources Limited	30/09/87	19/02/88	18/02/91
7261	Dalrymple Resources NL	2/01/90	21/08/90	7/02/92
7686	Poseidon Exploration Limited	2/08/90	16/01/91	27/06/91
8194	Dalrymple Resources NL	1/05/91	1/10/91	7/02/92
8438	Dalrymple Resources NL	6/09/91	24/10/91	7/02/92
8639	Dalrymple Resources NL	6/12/91	7/02/92	6/02/96
9159	Dalrymple Resources NL	2/11/92	6/01/93	5/01/96
10569	Newcrest Mining Limited	10/03/95	8/06/95	7/06/97
10644	Newcrest Mining Limited	2/05/95	8/08/95	7/08/97

(Table.1) Summary of Previous Exploration

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
GEOLOGICAL REPORT
30 JUNE 2010

Summary of Previous Drilling conducted over Pyramid

Prospect	Company	Type	Hole No's	No. of Holes	Metreage
Sellheim					
	BMA	RC	EBR-1 to 9	9	?
	BMA	RC	EBR-40 to 48	9	?
	Dalrymple	RC	MDRC-22 to 24	3	236
	Dalrymple	RC	MDRC-60	1	80
Gettysberg					
	Dalrymple	RC	MDRC-25, 27-54	24	2430
	Dalrymple	Diamond	MDD-1 to 3	2	284
	Dalrymple	RC	MDRC-59	1	150
	Dalrymple	RC	MDRC-64	1	?
Marrakesh	Dalrymple	RC	MDRC-1 to 6	6	543
Pradesh	Dalrymple	RC	MDRC-7 to 10	4	418
Madras	Dalrymple	RC	MDRC-20 to 21	2	120
Rutherfords	Dalrymple	RC	MDRC-17 to 19	3	192
Carey Guille	Dalrymple	RC	MDRC-11 to 16	6	594
Sugarloaf					
	Dalrymple	RC	MDRC-55 to 56	3	573
	Dalrymple	Diamond	MDRC-65 to 67	2	80
	Newcrest	RC	MDRC-68 to 71	4	738
Dempsey's	Dalrymple	RC	MMDC-57 to 58	2	100
TM-64	Dalrymple	RC	MDRC-61 to 63	3	100
Beacazon	BMA	RC	?	8	?
Mt Stone	BMA	RC	?	11	1364
Buried Hatchet	alrymple	RC	MSRC-1 to 2	2	100

Previous Drilling and Soil Sampling Results (Gettysberg):

Gettysberg prospect was discovered from follow up of a stream sediment anomaly. Highly anomalous rock chip assays up to 2000 g/t Au were located in siliceous breccias.

Soil sampling delineated a 400 x 100 m anomaly of >175 ppb Au (1500 ppb Au peak) at the Devils Den and Culps areas, trending NE. Several zones of >50 ppb Au occur outside the main anomalous zone.

(Table.2) Significant Gettysberg Intersections

Dalrymple drilled 26 RC holes (MRDC-25 to MRDC-50) and 2 diamond core holes (MDD-1 to MDD-2; MDD-3 was a diamond extension) over a strike extent of 400m, which intersected widespread significant gold mineralisation in 21 holes. The highlights of this drill program are presented in table 2. The holes intersected fine grained micaceous quartzose sandstone and interbedded fissile siltstones. Mineralisation consists of comb/cockade quartz vein stockworks and graphite-pyrite-

Hole No.	Depth From	Depth To	Width	Grade
MDRC-31	0	8	8m	18.10 g/t Au
MDRC-33	52	76	24m	5.00 g/t Au
MDRC-34	28	44	16m	2.48 g/t Au
MDD-01	40	80	40m	1.0 g/t Au
MDD-02	21	51	26m	2.80 g/t Au
MDRC-39	8	72	64m	0.50 g/t Au
MDRC-42	8	72	64m	0.40 g/t Au
MDRC-37	28	64	26m	0.70 g/t Au

dolomite breccia zones (Photograph 1). Visible gold was noted in the core holes associated with the graphite-pyrite matrix, as indicated in Photograph 2. Andesite porphyry dykes (boninite) were also associated with the breccia zones.



Photograph 1. Photograph of drill core from MDD-001. Typical chalcedony-comb quartz vein stockwork mineralised zones in sericite altered thinly bedded sandstone at the Gettysberg prospect. Note the black chlorite-graphite-pyrite stylolite margins to chalcedony-comb quartz vein breccia.

(Assay 70-71m: 0.37 ppm Au).



Photograph 2. Photograph of drill core from MDD-001. Note presence of visible gold within a low amplitude, black graphite-chlorite-pyrite stylolite seam, within sericite altered, hydrofractured sandstone. (Assay 75-76m: 12.0 g/t Au).

Proposal for New Drill Holes:

Twenty-one holes at up to 150m deep are proposed to test the down dip and along strike potential of the gold mineralised zone and the potential for Bulk-Low Grade Mineralisation associated with pyritic graphitic veinlets / dispersions and disseminations in sericite altered schistous zone is as important as the proposal for drill holes to test potential for gold associated with tabular quartz breccia bodies.

MGT RESOURCES LIMITED - CORPORATE GOVERNANCE POLICY

Introduction

The MGT Resources Limited Board of Directors is committed to the principles underpinning good corporate governance, applied in a manner which is most suited to MGT Resources Limited, and to best addressing the directors' accountability to shareholders and other stakeholders. This is supported by a commitment to the highest standards of legislative compliance and financial and ethical behaviour.

The Company continues to address directors' accountability to stakeholders in a manner consistent with the Company's individual circumstances enhanced through the introduction of publicly available policies and procedures which are designed to foster a culture of transparency in the way MGT Resources Limited is directed and managed.

As a measure of its stated commitment to good corporate governance principles, the Board will continue to review and continually improve its governance practices and monitor developments in good corporate governance.

The Board considers that except to the extent expressly indicated in this statement, those corporate governance practices comply with the Best Practice Recommendations on Corporate Governance. Except to the extent expressly indicated in this statement, those practices were followed throughout the year.

For the reasons expressed within this Statement, MGT Resources Limited has elected not to adopt Recommendations 2.1, 2.2, 2.4, 4.2 and 8.1.

Principle 1: Lay solid foundations for management and oversight

The Board acts on behalf of and is responsible to its Shareholders. This responsibility has been instrumental in defining the responsibilities of the Board.

The Board has formalised its roles and responsibilities into a Charter. The Board Charter clearly defines the matters that are reserved for the Board and those that the Board has delegated to management.

In summary, the responsibilities of the MGT Resources Limited Board include:

- oversight of the company, including its control and accountability systems;
- setting the company's major goals including the strategies and financial objectives to be implemented by management;
- appointing, removing and controlling the Chief Executive Officer;
- ratifying the appointment and, where appropriate, the removal of the Company Secretary;
- input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

- approving and monitoring financial and other reporting; and
- corporate governance.

The Board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing MGT Resources Limited's annual budget, recommending it to the Board for approval and managing day-to-day operations within the budget;
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board;
- approval of capital expenditure and business transactions within predetermined limits set by the Board.

Senior Executive Performance Evaluation

The Board is responsible for approving the performance objectives and measures for the Chief Executive Officer and assessing whether these objectives have been satisfied by the performance of the Chief Executive Officer during the relevant period and in accordance with agreed terms of engagement.

The Chief Executive Officer is responsible for approving the performance objectives and measures of other senior executives in consultation with the Board. The Board provides input into the evaluation of performance by senior executives against the established performance objectives.

The performance of senior executives is monitored by means of scrutiny by the Board of regular monthly reports provided by management regarding the group financial performance and forecasted results, presentations and operational reports, and the achievement of predetermined performance objectives.

Principle 2: Structure the board to add value.

The Board has adopted a policy of ensuring that it is composed of a number of non executive directors with varied experience and skills such that the Board has a proper understanding of and competence to deal with emerging issues within the business, exercise independence and perform effective reviews of management.

Independence

An MGT Resources Limited director will be considered *independent* where he or she is:

- independent of management, that is, a non-executive director; and,
- free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his or her unfettered and independent judgement.

Materiality is assessed on a case by case basis by reference to the director's individual circumstances rather than general materiality thresholds.

The MGT Resources Limited Board has made its own assessment to determine the independence of each director on the Board. It is the Board's view that two current non-executive directors are independent.

In view of the size of the Company and the nature of its activities, the Board considers that the current mix of skills, qualifications and experience on the Board is consistent with the long-term interests of the Company. The Board will continue to monitor the requirement for independent directors in the context of the Company's communicated long term objectives.

The Board has established criteria for assessing independence of its directors.

Composition of the Board

The MGT Resources Limited Board currently comprises two (2) non-executive directors and two (2) executive directors.

The composition of the Board is set based on the following factors:

- the Company's Constitution provides for the number of directors to be not less than three (3) and not more than ten (10) as determined by the directors from time to time;
- consistent with the Company's objective that the Board should encompass a broad range of relevant expertise, the present Board consists of directors with a collective of diverse skills, qualifications and experience as more fully detailed in the Company's Annual Report.

There is no shareholding requirement imposed upon directors under the Company's Constitution, however, three directors of MGT Resources Limited do hold shares in the Company.

Details of all holdings by directors in the Company are detailed within the Directors' Report.

Chairman

The Chairman is selected by the Board from the non-executive directors.

The current chairman is an executive director appointed by the Board.

The Board has considered:

- whether it would be beneficial to appoint a lead independent director;
- other positions held by the existing chair and the other non-executive director and the available time of each director; and
- the skills, qualifications and experience of the existing non-executive directors;

and based on its overall assessment of these factors it has elected not to adopt Recommendation 2.2 to appoint:

- a lead independent director; or
- alternative chairman.

The Board will continue to assess the requirements of this recommendation in the context of the Company's individual circumstances and its communicated long term objectives.

Separation of roles of Chair and CEO

MGT Resources Limited's Chairman and Chief Executive Officer have separate roles.

Establishment of Nomination Committee

MGT Resources Limited has elected not to adopt Recommendation 2.4 because it considers that its existing selection and appointment practices, detailed within this Statement, are an efficient means of meeting the needs of the company, particularly having regard to the fact that MGT Resources Limited is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

The MGT Resources Limited Board currently consists of only four (4) members. It is considered that further division of the Board for the purposes of establishing a formal committee structure would not achieve enhanced efficiency or enable the Board to add greater value to this process.

The small size of the MGT Resources Limited Board, and the nature of its business, means that MGT Resources Limited has the present capacity to consider director competencies, selection and nomination practices in the context of duly constituted meetings of the Board and as a part of its self-evaluation processes.

Board Performance Evaluation

The Board has adopted an on-going, self-evaluation process to measure its own performance and the performance of its committee during the reporting period.

The Chairman meets periodically with individual directors to discuss the performance of the Board and the director. In addition, an evaluation is undertaken by the Chairman of the contribution of directors retiring by rotation prior to the Board endorsing their candidature.

The review process involves consideration of all of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability, skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the overall management of the business.

A performance evaluation for the Board, its committee and directors took place during the reporting period in accordance with the process detailed within this Statement.

The outcomes of the self-assessment program are used to enhance the effectiveness of individual directors and the Board collectively.

Enhanced effectiveness of the Board and management is also addressed through:

Board Meetings

The frequency of Board meetings and director's attendance at those meetings is detailed within the Directors' Report. Directors are expected to prepare for meetings in a manner which will enable them to attend and participate at the meeting.

Directors are also required to make on-site visits and attend workshops as required.

Induction Program

Procedures for induction of new directors are in place to allow new directors to participate fully and actively in board decision making at the earliest opportunity.

All directors are offered an induction program appropriate to their experience upon appointment so as to familiarise them with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the company, its products, services and operations; scheduled meetings with the Chairman and Chief Executive Officer of the Company.

Director education

The Board encourages directors to continue their education by participating in applicable workshops and seminars, attending relevant site visits and undertaking relevant external education.

The Company Secretary provides directors with on-going guidance on matters such as corporate governance, the Company's constitution and the law.

Board Papers & Agendas

Board agendas are structured throughout the year in order to ensure that each of the significant responsibilities of the Board is addressed.

Directors receive board packs prior to each meeting which detail financial, operational and strategy reports from senior management who are available to discuss reports with the Board.

Access to information

All directors have access to company records and information, and receive regular detailed financial and operational reports from senior management.

The Company Secretary is available to all Directors and may be consulted on on-going issues of corporate governance, the MGT Resources Limited Constitution and the law. In addition, the Chairman and other independent non-executive directors regularly consult with the Chief Executive Officer, and may confer and request additional information from any MGT Resources Limited employee. Management are available to discuss reports, and any issue arising, with the Board as required.

The Board collectively, each Board Committee and each individual Director has the right, following appropriate consultation, to seek independent professional advice at MGT Resources Limited's expense to help them carry out their responsibilities.

Term of office, skills, experience and expertise of each director

The qualifications, experience and expertise of the directors, and the respective terms in the office held by individual directors, are set out in the Directors' Report contained within the MGT Resources Limited 2010 Annual Report.

Independent Professional Advice

MGT Resources Limited has in place a procedure whereby, after appropriate consultation, directors are entitled to seek independent professional advice, at the expense of MGT Resources Limited, to assist them to carry out their duties as directors. The policy of MGT Resources Limited provides that any such advice is made available to all directors.

Procedure for Selection and Appointment of New Directors

The process for appointing a director within MGT Resources Limited is that, when a vacancy exists, the Board identifies candidates with the appropriate expertise and experience, using external consultants as appropriate. The most suitable candidate is appointed but must stand for election at the next annual general meeting following the appointment.

Consistent with the current law there is no retirement age for directors fixed by the *Corporations Act 2001 (Cth)* or NSX Listing Rules, although a person of or over the age of seventy-two (72) years of age may not be appointed, or re-appointed as a director except pursuant to a resolution of the Company in accordance with the Company's Constitution.

The process for re-election of a director is in accordance with the Company's Constitution, which requires that each year, at least one-third of the non-executive directors retire from office at the Annual General Meeting. The retiring directors may be eligible for re-election.

Principle 3: Promote ethical and responsible decision-making.

Code of Conduct

MGT Resources Limited is committed to the operation of its business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of the company and the industry in which it operates.

The Board has approved a *Code of Conduct and Ethics* which applies to all directors, executives, management and employees without exception. In addition, the conduct of directors and executives is also governed by *Code of Conduct for Directors and Executives*.

Each Code of Conduct is designed to ensure that:

- high standards of corporate and individual behaviour are observed by all MGT Resources Limited directors and executives in the context of their respective roles and the performance of their duties with MGT Resources Limited;
- directors and executives are aware of their responsibilities to MGT Resources Limited under the terms of their appointment or contract of employment; and
- all of the stakeholders of the Company can be guided by the stated values and policies of MGT Resources Limited.

In summary, the Code provides that directors and senior executives must:

- act honestly, in good faith and in the best interests of the company;
- use due care, skill and diligence in the fulfilling their duties;
- use the powers of their position for a proper purpose, in the interests of the company;
- not make improper use of information acquired their position;
- not allow personal interests, or those of associates, conflict with the interests of the company;
- exercise independent judgement and actions;
- maintain the confidentiality of company information acquired by virtue of their position;
- not engage in conduct likely to bring discredit to the company; and
- comply at all times with both the spirit and the letter of the law, as well as, policies of the company.

Directors of the company may act in a professional capacity for the Company or its controlled entities, other than as auditor of the Company. These arrangements are subject to the restrictions of the *Corporations Act 2001 (Cth)*.

Under the Constitution of the Company, and the *Corporations Act 2001 (Cth)*, where the possibility of a conflict of interest exists and involves a director, directly or indirectly, the director must declare the fact, nature, character and extent of the conflict at the first meeting of directors held after the relevant facts come to the director's knowledge.

The director concerned does not receive copies of the relevant Board papers, if any, and withdraws from the Board meeting while such matters are considered by the remainder of the Board. Accordingly, the interested director takes no part in discussions nor exercises any influence over other members of the Board if a potential conflict of interest exists.

In addition, MGT Resources Limited has developed a series of policies designed to promote ethical and responsible decision making by directors, executives, employees and contractors of the Company, including:

- Trading Policy;
- Market Disclosure Policy;
- Privacy Policy;
- Occupational Health & Safety Policy;
- Code of Conduct and Ethics (General); and
- Code of Conduct for Directors' & Executives.

Employees are actively encouraged to report activities or behaviour to senior management, the Company Secretary or the Board, which are a breach of the Code of Conduct and Ethics, other MGT Resources Limited policies or regulatory requirements or laws.

The Company will investigate any concerns raised in a manner that is fair, objective and affords natural justice to all people involved. The Company is committed to making necessary changes to its processes and taking appropriate action in relation to employees found to have behaved contrary to legal and company standard requirements.

Trading Policy

Directors, senior executives and employees are subject to the *Corporations Act 2001 (Cth)* relative to restrictions applying for, acquiring and disposing of securities in, or other relevant products of, the Company (or procuring another person to do so), if they are in possession of inside information.

Inside information is that information which is not generally available, and which if generally available, a reasonable person would expect it to have a material effect on the price or value of the securities in the Company.

Under the MGT Resources Limited *Trading Policy*, directors, senior executives and employees of the Company are restricted from trading in the Company's securities during the period of one (1) month preceding the making of an announcement to the market by the Company relating to the:

- Company's Annual results;
- Company's Half Year results; and
- Chairman's Address.

The Company notifies the NSX of any change in a director's interests in securities, and in contracts relevant to securities, as required by the NSX Listing Rules.

Principle 4: Safeguard integrity in financial reporting.

Establishment of Audit Committee

The MGT Resources Limited Board has an established Audit Committee which continues to provide assistance to the Board in accordance with its established Terms of Reference.

Audit Committee Structure

MGT Resources Limited does not comply with Recommendation 4.2 regarding the elements relating to a majority or independent directors and the desired number of members of the audit committee.

The current MGT Resources Limited Audit Committee comprises only two (2) non-executive directors and is chaired by Mr. Hai Jun Li, who is not chairman of the Board.

The Board considers that the technical skills, qualifications and experience represented by the involvement of members Mr. Hai Jun Li and Mr. Rado Jacob Rebek are most suited to the effective discharge of the responsibilities of the committee.

MGT Resources Limited does not consider that any further value will be added by the inclusion of another member for the sake of satisfying this requirement, particularly given the small size and diversity of the MGT Resources Limited Board.

MGT Resources Limited is not presently required to comply with the requirement for at least three (3) members on its Audit Committee under the current NSX Listing Rules.

The Board will, however, continue to monitor the requirements of this recommendation in the context of the Company's prevailing position and circumstances.

Audit Committee – Charter

The MGT Resources Limited Audit Committee role and responsibilities, composition, structure and membership requirements are detailed in a formalised charter comprising the Audit Committee – Terms of Reference.

The principal functions of the MGT Resources Limited Audit Committee as detailed within the Terms of Reference are to:

- review of the annual and half yearly financial reporting carried out by MGT Resources Limited;
- review of the accounting policies of MGT Resources Limited;
- review the scope and audit programmes of the internal and external auditors and any material issues arising from these audits;
- oversee the independence of external auditors and determining procedures for the rotation of audit partners; and
- report to the Board on the effectiveness of MGT Resources Limited's systems of accounting and internal controls.

Reflecting the relative small size of the company, the full Board remain responsible for:

- the sufficiency of, and compliance with, ethical guidelines and company policies affecting corporate governance, financial reporting and corporate control together with compliance with laws and external regulations;
- identification of the full range of actual or potential risk exposures which are material to MGT Resources Limited; and
- the effectiveness of the group's risk management systems and strategies.

Meetings

The audit committee prepares and maintains a register of minutes of its meetings and these are included in the Board papers for the next full Board meeting after each audit committee meeting.

Reporting

The Chair of the Audit Committee reports to the Board as and when required on matters relevant to the committee's role and responsibilities.

Engagement & Rotation of External Auditor

The Audit Committee is responsible for nominating the external auditor to the Board for re-appointment. If the Audit Committee recommends a change in external auditor to the Board, the Board's nomination of external auditor requires the approval of shareholders. The Audit Committee recommends to the Board the compensation of the external auditor.

The Audit Committee meets with the external auditor throughout the year to review the adequacy of the existing external audit arrangements with particular emphasis on the scope, quality and independence of the audit.

It has been determined by the Audit Committee that the external auditor will not provide services to the company where the auditor would:

- have a mutual or conflicting interest with the company;
- be in a position where they audit their own work;
- function as management of the Company; or
- have their independence impaired or perceived to be impaired in any way.

Specifically, the external auditor will not normally provide the following types of services to the Company:

- bookkeeping or other services relating to the accounting records or financial statements of the Group;
- financial information or information technology systems design and implementation;
- appraisal and valuation services, fairness opinions or contributions-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions, including temporary staff assignments or human resource services, including recruitment of senior management;
- broker or dealer services, investment advisor, corporate finance or investment banking services; and
- legal and litigation support services.

Procedures are in place governing approval of any non-audit work before the commencement of any engagement.

The Board has elected to adopt a policy which is consistent with the primary and secondary rotation obligations regarding auditors such that:

- the lead or review audit partner's responsibilities may not be performed by the same person for longer than five (5) successive years ("primary rotation obligation"); and
- the lead or review audit partner's responsibilities may not be performed by the same person for more than five (5) out of seven (7) successive years ("secondary rotation obligation").

In addition, the Board requires a minimum of two (2) consecutive years “cooling off” period before an auditor undergoing rotation can return to playing a significant role in the audit of the Company.

Ms Rosemary Megale of Duncan Dovico was the lead audit partner for MGT Resources Limited for the period ended 30 June 2010.

Details of the members of the Audit Committee

The Board’s Audit Committee consists of Mr. Hai Jun Li, Non-Executive Director, and Mr. Rado Jacob Rebek, Non-Executive Director.

The lead signing and review External Audit Partner and the Company’s Chief Executive Officer attend committee meetings by standing invitation.

The qualifications of each member of the committee are set out in the Directors’ Report contained within the MGT Resources Limited 2010 Annual Report.

Number of Meetings and Names of Attendees

The number of meetings held during the reporting period and the attendees at these meetings is detailed within the Directors’ Report contained within the MGT Resources Limited 2010 Annual Report.

Principle 5: Make timely and balanced disclosure.

Policies & procedures regarding disclosure requirements

The MGT Resources Limited Board is committed to keeping its shareholders, and the market, fully informed of major developments having an impact on the Company.

Comprehensive procedures are in place to identify matters that are likely to have a material effect on the price, or value, of the MGT Resources Limited securities and to ensure those matters are notified to the NSX in accordance with NSX Listing Rule disclosure requirements.

Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company’s shares listed on the NSX.

The Company Secretary is responsible for all communications with the NSX.

Principle 6: Respect the rights of shareholders.

In addition to complying with continuous disclosure obligations, MGT Resources Limited is committed to ensuring that shareholders are kept informed in other ways.

Shareholder Communication Policy

MGT Resources Limited recognises the right of shareholders to be informed of matters, in addition to those prescribed by law, which affect their investments in the Company.

MGT Resources Limited is committed to:

- dealing fairly, transparently and openly with both current and prospective shareholders;
- the use of available channels and cost effective technologies to reach shareholders who may be geographically dispersed and in order to communicate promptly with all shareholders; and

- facilitating participation in shareholders meetings and dealing promptly with shareholder enquiries.

MGT Resources Limited communicates information to shareholders through:

- the annual report;
- disclosures to the NSX and ASIC;
- notices and explanatory memoranda of annual general meetings and general meetings;
- occasional letters from the Chief Executive Officer and Chairman to inform shareholders of key matters of interest; and
- the Company's website on the internet at www.mgt.net.au

The Board encourages active participation by shareholders at each Annual General Meeting, or other general meetings, to ensure a high level of accountability and understanding of MGT Resources Limited's strategy, performance and goals.

Consistent with best practice, important issues are presented to shareholders as single resolutions expressed in plain, unambiguous language. Proceedings are held in a locality, and at a readily accessible venue, conducive to maximising the number of shareholders present, and able to participate, at the meeting. Shareholders are provided with opportunities of asking the Board questions regarding the management of the Company.

Principle 7: Recognise and manage risk

Oversight and Management of Material Business Risks

The Board of MGT Resources Limited:

- recognise that effective management of risk is an integral part of good management and vital to the continued growth and success of MGT Resources Limited;
- is responsible for the oversight of the group's risk management and control framework including the development of risk profiles as a part of the overall business and strategic planning process; and
- has implemented a policy framework designed to ensure that the group's risks are identified, analysed, evaluated, monitored, and communicated within the organisation on an on-going basis, and that adequate controls are in place and functioning effectively.

The MGT Resources Limited risk management and control policy framework incorporates the maintenance of appropriate policies, procedures and guidelines which address the Company's unique operating environment and is utilised by the Board as a means of identifying opportunities and avoiding or mitigating losses in the context of its businesses.

The Audit Committee assists the Board in its risk management role by reviewing the financial and reporting aspects of the group's risk management and control practices.

The Chief Executive Officer has ultimate responsibility for control and management of operational risk and the implementation of avoidance or mitigation measures within the group and may delegate control of these risks to the appropriate level of management at each site.

The Board regularly monitors the operational and financial performance of the Company and the economic entity against budget and other key performance measures. The Board also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with management, to mitigate those risks.

Each month, a report is presented to the Board by the Chief Executive Officer. The reports encompass matters including actual financial performance against budgeted forecasts, workplace health and safety, legal compliance, corporate governance, strategy, quality assurance and standards, human resources, industry and market information, operational developments and environmental conformance. Reports are prepared and submitted on a monthly basis by the Chief Financial Officer in relation to the overall financial position and performance of the Company. In addition to formalised written reporting procedures, the Board is regularly briefed by the Chief Executive Officer on emerging or developed trends in market and operational conditions having the potential to impact on the performance of the group.

Management has reported to the Board on the effectiveness of the Company's management of its material business risks in respect of the year ended 30 June 2010. This report was undertaken in accordance with the process outlined in this Statement.

CEO & Company Secretary Assurance

The Chief Executive Officer and Company Secretary of MGT Resources Limited report annually in writing to the Board that:

- consolidated financial statements of MGT Resources Limited and its controlled entities for each subsequent half year and full financial year present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with accounting standards; and
- declarations provided in accordance with section 295A of the Corporations Act are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received assurance from the Chief Executive Officer and the Company Secretary equivalent under Recommendation 7.3 in respect of the year ended 30 June 2010. This assurance was provided in accordance with the process outlined in this Statement.

Principle 8: Remunerate fairly and responsibly

Establishment of Remuneration Committee

MGT Resources Limited has elected not to adopt Recommendation 8.1 because it considers that its existing remuneration practices, detailed within this Statement, are an efficient means of meeting the needs of the company, particularly having regard to the fact that MGT Resources Limited is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board and management structure and composition.

The MGT Resources Limited Board currently consists of only four (4) members. It is considered that further division of the Board for the purposes of establishing a formal remuneration committee structure would not achieve enhanced efficiency or enable the Board to add greater value to this process.

The small size of the MGT Resources Limited Board, the nature of its business and its management structure, means that MGT Resources Limited has the present capacity of giving due consideration to the overall remuneration policies and strategies of the company during the conduct of its regular board meetings and by appropriate recourse to relevant market data and, where applicable, to external executive remuneration consultants.

Executive director & Non-executive director remuneration

The aggregate remuneration of non-executive directors is approved by shareholders.

Individual directors' remuneration is determined by the board within the approved aggregate total. In determining the appropriate level of director's fees, data from surveys undertaken of other public companies similar in size or market section to MGT Resources Limited is taken into account.

Non-executive directors of MGT Resources Limited are:

- not entitled to participate in performance based remuneration practices unless approved by shareholders; and
- currently remunerated by means of the payment of cash benefits in the form of directors' fees.

MGT Resources Limited does not currently have in place a retirement benefit scheme or allowance for its non-executive directors.

A review of the compensation arrangements for the Chief Executive Officer and Senior Executives is conducted by the full Board at a duly constituted Directors' Meeting. The review is performed annually and is based on criteria including the individual's performance, market rates paid for similar positions and the results of the Company during the relevant period.

The broad remuneration policy objective of MGT Resources Limited is to ensure that the emoluments provided properly reflect the person's duties and responsibilities and is designed to attract, retain and motivate executives of the highest possible quality and standard to enable the organisation to succeed.

MGT Resources Limited is committed to making timely disclosure of all relevant information relating to its remuneration practices and policies in the context of its reporting obligations in the corporate governance statement, in its annual report, and pursuant to continuous disclosure requirements.

Policy Disclosure

The Company's policies relating to the remuneration of Directors and Senior Executives and the level of their remuneration are detailed in the Directors' Report contained within the MGT Resources Limited 2010 Annual Report and Notes to and forming part of the 2010 Financial Statements.

AUDITORS' INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

This declaration is in respect of MGT Resources Limited and its controlled entities during the period.

Duncan Dovico Chartered Accountants



Rosemary Megale

Partner

Sydney, 29th September 2010

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

		Consolidated 2010 \$	Consolidated 2009 \$
Revenue	Note 4	70,736	79,437
Other income	5	38,128	1,886,365
Employee benefits expense		(235,183)	(113,357)
Depreciation expense		(65,309)	(10,330)
Administration expense		(323,851)	(67,207)
Other expenses	5	(284,861)	(223,871)
Profit /(loss) before tax		(800,340)	1,551,037
Income tax expense/(benefit)		-	-
Profit/(loss) for the year		(800,340)	1,551,037
Other comprehensive income			
Available-for-sale financial assets		(58,751)	7,600
Total comprehensive income for the year		(859,091)	1,558,637
Attributable to:			
Equity holders of the parent		(769,698)	1,521,065
Non-controlling interest		(89,393)	37,572
		(859,091)	1,558,637
Earnings per share			
Basis (cents per share)	17	(1.40)	3.88
Diluted (cents per share)	17	(1.40)	3.88

The above consolidated statement of comprehensive income should be read in conjunction with the accompany notes

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	Consolidated 2010 \$	Consolidated 2009 \$
Current assets			
Cash and cash equivalents	20(a)	959,126	2,580,691
Trade and other receivables	7	273,574	47,790
Other financial assets	8	209,936	41,600
Total current assets		1,442,636	2,670,081
Non-current assets			
Exploration and evaluation expenditure	9	3,332,086	2,110,964
Plant & Equipment	10	1,706,656	938,766
Total non-current assets		5,038,742	3,049,730
Total assets		6,481,378	5,719,811
Total liabilities			
Trade and other payables	11	331,733	167,230
Borrowings	12	51,843	8,313
Provisions	13	41,306	7,847
Total current liabilities		424,882	183,390
Non-current liabilities			
Borrowings	12	482,431	44,480
Provisions	13	3,171	-
Total non-current liabilities		485,602	44,480
Total liabilities		910,484	227,870
Net assets		5,570,894	5,491,941
Equity			
Issued capital	14	4,252,508	3,255,092
Reserves	15	(51,151)	7,600
Retained earnings	16	802,518	1,513,465
Non-controlling interest		567,019	715,784
Total equity		5,570,894	5,491,941

The above consolidated statement of financial position should be read in conjunction with the accompany notes

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Consolidated

	Fully paid ordinary shares \$	Retained Earnings \$	Revaluation Reserve \$	Non- controlling Interest \$	Total \$
Balance at 1 July 2009	3,255,092	1,513,465	7,600	715,784	5,491,941
Total comprehensive income for the year	-	(710,947)	(58,751)	(89,393)	(859,091)
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs and tax	997,416	-	-	-	997,416
Business combination	-	-	-	(59,372)	(59,372)
Balance at 30 June 2010	4,252,508	802,518	(51,151)	567,019	5,570,894

	Fully paid ordinary shares \$	Retained Earnings \$	Revaluation Reserve \$	Non- controlling Interest \$	Total \$
Balance at 1 July 2008	-	-	-	-	-
Total comprehensive income for the year	-	1,513,465	7,600	37,572	1,558,637
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs and tax	3,255,092	-	-	-	3,255,092
Business combination	-	-	-	678,212	678,212
Balance at 30 June 2009	3,255,092	1,513,465	7,600	715,784	5,491,941

The above consolidated statement of changes in equity should be read in conjunction with the accompany notes

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 \$	Consolidated 2009 \$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(868,545)	(563,238)
Interest received		70,736	79,437
Net cash provided by/(used in) operating activities	20(b)	(797,809)	(483,801)
Cash flows from investing activities			
Payment for investment in subsidiary		(50,000)	(95,116)
Proceeds from sale of investment		328,602	182,917
Payment for investment in shares		(526,934)	(111,669)
Payment for property, plant & equipment		(833,199)	(41,906)
Payments for exploration costs		(1,221,122)	(123,684)
Net cash provided by/(used in) investing activities		(2,302,653)	(189,458)
Cash flows from financing activities			
Proceeds from issues of equity securities		997,416	3,255,092
Proceeds from borrowings – related parties		400,000	-
Proceeds from borrowings		89,794	-
Lease payments		(8,313)	(1,142)
Net cash provided by/(used in) financing activities		1,478,897	3,253,950
Net (decrease)/increase in cash and cash equivalents		(1,621,565)	2,580,691
Cash at the beginning of the financial year		2,580,691	-
Cash at the end of the financial year	20(a)	959,126	2,580,691

The above consolidated statement of cash flows should be read in conjunction with the accompany notes

1. Summary of significant accounting policies

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the group comply with international financial reporting standards.

MGT Resources Limited changed its name from Mono Resources Limited on 29th June 2010.

(a) Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are:

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out below. The application of this policy necessarily required management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under our policy, we conclude that we are unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Estimated useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties. In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Financial statement presentation

The group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Basis of preparation (Continued)

The group has applied the new regulation of the Corporation Act part 2M.3.01 which became effective on 27 June 2010. The amendment removed the requirement to prepare parent entity financial statements where consolidated financial statements are required. Summarised parent entity financial information has been presented in note 21 to these financial statements.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MGT Resources Limited ("company" or "parent entity") as at 30 June 2010 and entities controlled by the company for the year then ended. MGT Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the statement of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of MGT Resources Limited.

(c) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minorities proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

Interest income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(e) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Income tax (Continued)

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

(g) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Financial assets (Continued)

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

Certain shares and redeemable notes held by the Group are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the other comprehensive income, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the other comprehensive income is included in profit or loss for the period.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

(h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, which the effect of any changes recognised on a prospective basis.

Property, plant and equipment (Continued)

The following useful lives are used in the calculation of depreciation:

- | | |
|-----------------------|--------------|
| - Office equipment | 3 - 10 years |
| - Mine infrastructure | 3 – 5 years |
| - Motor Vehicle | 5 – 8 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(i) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(j) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

(k) Exploration and evaluation of assets

Exploration and evaluation expenditure in relation to each separate area of interest are recognised as an exploration asset in the year in which they are incurred where the following conditions are satisfied:

- (i) The rights to tenure of the area of interest are current; and
- (ii) At least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. General and administrative costs are allocated to, and included in, the cost of an exploration and evaluation asset, but only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation of asset may exceed its recoverable amount.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the taxation authority. It is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Or
- (ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

All cash outflows in respect of GST, including payments to suppliers and employees, payments for exploration and evaluation, property, plant and equipment, and payments for exploration inventory are included in payments to suppliers and employees from operation activities.

All cash inflows in respect of GST, including receipts from customers and receipts of GST paid by the company and subsequently refunded by taxation authorities are included in receipts from customers from operating activities.

All cash flows from investing activities and from financing activities are net of GST as all associated GST cash flows are included in operating activities.

(q) New accounting standards and interpretations

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements.

AASB 101 Presentation of Financial Statements (as revised in September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101

AASB 101(September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard has required the presentation of a third statement of financial position at 1 July 2008, because the entity has applied new accounting policies retrospectively.

AASB 8 Operating Segments

AASB 8 is a disclosure Standard that has resulted in a redesignation of the Group's reportable segments (see note 3)

AASB 3 Business Combinations (as revised in 2008)

In accordance with the relevant transitional provisions, AASB 3(2008) has been applied prospectively to business combinations for which the acquisition date is on or after 1 July 2009. The impact of the adoption of AASB 3(2008) Business Combinations has been:

- to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquire;
- to change the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit or loss;
- where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, to require the recognition of a settlement gain or loss; and
- to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

New accounting standards and interpretations(Continued)

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2010:

AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - the objective of the entity's business model for managing the financial assets; and
 - the characteristics of the contractual cash flows.

2. Financial Risk Management

The consolidated group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the financial performance of the Group.

The Group hold the following financial instruments:

	Consolidated 2010 \$	Consolidated 2009 \$
Financial assets		
Cash & cash equivalents	959,126	2,580,691
Trade & other receivables	273,574	47,790
Other financial assets	209,936	41,600
	1,442,636	2,670,081
Financial Liabilities		
Trade & other payable	331,733	167,230
Interest bearing liabilities	534,274	52,793
	866,007	220,023

a) Market Risk

i. Foreign exchange risk

Consolidated Group Sensitivity – foreign exchange risk

The consolidated entity has no foreign currency exposure risk as at reporting date.

ii. Price Risk

The consolidated group and the parent entity are exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. Neither the Group nor the parent entity is exposed to commodity price risk.

The table below summarises the impact of increase/decrease of these two indexes on the Group's and the parent entity's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased by 9%/decrease by 6% with all other variables held constant and all the Group's equity instruments moved according the historical correlation with the index.

Index	Impact on post-tax profit		Impact on other components of equity	
	Consolidated	Consolidated	Consolidated	Consolidated
	2010	2009	2010	2009
	\$	\$	\$	\$
Increase 9%	-	-	8,741	2,080
Decrease 6 %	-	-	(5,827)	(2,080)

Financial Risk Management (Continued)

iii. *Interest rate risk*

The consolidated group's exposure to interest rate risk is summarised in the table below:

	Weighted Average Effective Interest Rate	Non Interest Bearing	Floating Interest	Fixed Interest Rate	Total
	2010 %	2010 \$	2010 \$	2010 \$	2010 \$
<i>Financial Assets</i>					
Bank	4.31%	483,510	824,126	135,000	1,442,636
<i>Financial liabilities</i>					
Lease liabilities	10.99%	331,733	-	134,274	466,007
Borrowings	8.00%	-	-	400,000	400,000

	Weighted Average Effective Interest Rate	Non Interest Bearing	Floating Interest	Fixed Interest Rate	Total
	2009 %	2009 \$	2009 \$	2009 \$	2009 \$
<i>Financial Assets</i>					
Bank	4%	89,390	2,580,691	-	2,670,081
<i>Financial liabilities</i>					
Lease liabilities	10.99%	167,230	-	52,793	220,023

Consolidated Group Sensitivity – interest rate risk

The following sensitivity analysis has been based on the interest rate risk exposures in existence at 30 June 2010, had the variable interest rate on cash balances increased by 100 basis points and decreased by 50 basis points. The effect is calculated on year end balances and the impact on pre tax profit is outlined below.

	30 June 2010	30 June 2009
	\$	\$
Consolidated		
+ 1% (100 basis points)	9,591	25,807
-.5 % (50 basis points)	4,796	12,903

b) Credit Risk

Credit risk is managed on a group basis and reviewed regularly. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, including outstanding receivables and committed transactions.

As at 30 June 2010 there were no trade receivable balances.

Credit risk from balances with banks and financial institutions is regularly monitored and reviewed by The Board. No material exposure is considered to exist as the consolidated group's policy is to invest its cash and cash equivalents with financial institutions having a credit rating of at least AAA.

Financial Risk Management (Continued)

	Consolidated	Consolidated
	2010	2009
	\$	\$
Cash at bank and short-term bank deposits	959,126	2,580,691

c) Liquidity Risk

Liquidity risk arises from the possibility that there will be sufficient funds available to make payment as and when required. The consolidated group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The tables below analyse the consolidated Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2010	Less than 6 months	6-12 months	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$
<i>Non interest bearing</i>						
Accounts payables	331,733	-	-	-	-	331,733
<i>Fixed rate</i>						
Lease liabilities	26,175	25,669	77,773	4,657	-	134,274
Borrowings	-	-	400,000	-	-	400,000

30 June 2009	Less than 6 months	6-12 months	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$
<i>Non interest bearing</i>						
Accounts payables	167,230	-	-	-	-	167,230
<i>Fixed rate</i>						
Lease liabilities	4,042	4,271	9,274	35,206	-	52,793
Borrowings	-	-	-	-	-	-

d) Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements were stated at approximate their fair values.

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

3. Segment information

The Group operates predominantly in one business segment and one geographical segment being the mining industry in Australia. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The segment information provided is consistent with the internal management reporting. The group operates predominantly in one business segment and one geographical segment being the mining industry in Australia.

No revenue from this activity has been earned to date as the Group is still in the exploration and evaluation stage.

	Consolidated 2010 \$	Consolidated 2009 \$
4. Revenue		
An analysis of the Group's revenue for the year is as follows:		
Interest revenue:	70,736	79,437
5. Profit for the year before tax		
(a) Gains and losses		
Profit/(loss) for the year has been arrived at after crediting/(charging) the following gains and losses:		
Gain on disposal of investment	28,755	95,248
Gain on acquisition of subsidiary	9,373	1,791,117
	<u>38,128</u>	<u>1,886,365</u>
(b) Other expenses		
Accounting & Audit fee	102,911	40,370
Doubtful debts	-	801
Insurance	37,967	10,506
Marketing Expense	3,610	18,282
Telecommunication	16,445	8,260
Travel Expense	63,194	37,587
Legal Expense	95,537	41,710

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Consolidated 2010 \$	Consolidated 2009 \$
6. Income taxes		
Tax expense/(income) comprises:		
Current tax expense/(income) in respect of the current year	-	-
(a) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Profit/(loss) before income tax	(800,340)	1,551,037
Income tax expense calculated at 30%	(240,102)	465,311
Effect of expenses that are not deductible in determining taxable profit		
Accounting gain on acquisition	(2,812)	(537,335)
Non-deductible items	1,709	304
Unrecognised losses and timing differences	(312,732)	24,829
	(553,937)	(46,891)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary difference not recognised	553,937	46,891
	-	-
(b) Unused tax losses for which no deferred tax assets has been recognised	5,612,207	2,577,674
Temporary differences for which no deferred tax asset/(liability) has been recognised:	-	-
- Exploration expenditure	(3,332,086)	(2,110,941)
	2,280,121	466,733
Potential tax benefit at 30%	684,036	140,020
7. Trade and other receivables		
Prepayments	58,428	13,212
Loan to related party	74,500	-
GST refund	140,646	34,578
	273,574	47,790

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Consolidated 2010 \$	Consolidated 2009 \$

8. Other financial assets

Available for sale investments carried at fair value:

Current

Shares	209,936	41,600
	<u>209,936</u>	<u>41,600</u>

9. Exploration and evaluation expenditure

Costs carried forward in respect of areas of interest in the exploration and evaluation phase:

Balance at the beginning of the year	2,110,964	-
Acquisitions through business combinations	-	1,987,280
Expenditure incurred during the year	<u>1,221,122</u>	<u>123,684</u>
Balance at the end of the year	<u>3,332,086</u>	<u>2,110,964</u>

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation of asset may exceed its recoverable amount. The ultimate recoverability of exploration and evaluation expenditure is dependent upon the successful development or sale.

10. Plant and Equipment

	Office Equipment \$	Mine infrastructure \$	Motor Vehicle \$	Total \$
At 30 June 2010				
Cost or fair value	88,972	1,540,115	168,572	1,797,659
Accumulated depreciation	<u>(25,821)</u>	<u>(30,400)</u>	<u>(34,782)</u>	<u>(91,003)</u>
Net book value	<u>63,151</u>	<u>1,509,715</u>	<u>133,790</u>	<u>1,706,656</u>
Year ended 30 June 2010				
Balance at the beginning of the financial year:	30,601	839,013	69,152	938,766
Acquisition	43,241	698,291	91,667	833,199
Disposal	-	-	-	-
Depreciation expense	<u>(10,691)</u>	<u>(27,589)</u>	<u>(27,029)</u>	<u>(65,309)</u>
Balance at the end of the financial year	<u>63,151</u>	<u>1,509,715</u>	<u>133,790</u>	<u>1,706,656</u>

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Plant and Equipment (Continued)

	Office Equipment	Mine infrastructure	Motor Vehicle	Total
	\$	\$	\$	\$
At 30 June 2009				
Cost or fair value	45,731	841,824	76,905	964,460
Accumulated depreciation	(15,130)	(2,811)	(7,753)	(25,694)
Net book value	30,601	839,013	69,152	938,766
Year ended 30 June 2009				
Balance at the beginning of the financial year:	-	-	-	-
Acquisitions through business combination	38,450	798,619	21,898	858,967
Acquisition	5,653	42,959	50,541	99,153
Disposal	(9,024)	-	-	(9,024)
Depreciation expense	(4,478)	(2,565)	(3,287)	(10,330)
Balance at the end of the financial year	30,601	839,013	69,152	938,766

	Consolidated 2010 \$	Consolidated 2009 \$
11. Trade and other payables		
Trade payables	296,733	51,232
Accrued expenses	35,000	115,998
	<u>331,733</u>	<u>167,230</u>

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

12. Borrowings

Current

Finance lease liabilities	(i)	9,275	8,313
Commercial Loan		42,568	-
		<u>51,843</u>	<u>8,313</u>

Non-current

Related party loan	(ii)	400,000	-
Commercial loan		47,226	-
Finance lease liabilities	(i)	35,205	44,480
		<u>482,431</u>	<u>44,480</u>

- (i) The chattel mortgage is secured by way of a fixed charge over the motor vehicle of MGT Resources Limited. The charge was registered on 3 July 2009 and is in favour of Mercedes-Benz Financial Services Australia Pty Ltd.
- (ii) The company has entered into a deed of charge with the Chairman to borrow \$ 400,000 on 29th June 2010. The interest is charged at 8% per annum. The loan can be converted to shares at \$ 0.25 per share.

	Consolidated 2010 \$	Consolidated 2009 \$
13. Provisions		
<u>Current</u>		
Employee benefits	41,306	7,847
<u>Non -Current</u>		
Employee benefits	3,171	-
Disclosed in the financial statements as:		
Current provisions	41,306	7,847
Non-current provisions	3,171	-
	<u>44,477</u>	<u>7,847</u>

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Consolidated 2010 \$	Consolidated 2009 \$
14. Issued capital		
(a) Share capital		
52,750,426 fully paid ordinary shares (2009: 48,750,426)	4,333,096	3,333,096
Capital raising costs	(80,588)	(78,004)
	<u>4,252,508</u>	<u>3,255,092</u>
	No. of shares	Issue price
(b) Movements in ordinary share capital		
1 July 2009 Opening balance	48,750,426	3,333,096
28 January 2010 Issue of shares	4,000,000	\$0.25 1,000,000
Total:	<u>52,750,426</u>	<u>4,333,096</u>
15. Reserves		
Balance at beginning of financial year	7,600	-
Revaluation increments/(decrements)	(59,351)	7,600
Balance at end of financial year	<u>(51,751)</u>	<u>7,600</u>
16. Retained earnings		
Balance at beginning of financial year	1,513,465	-
Net profit/(loss) attributable to members of the parent entity	(710,947)	1,513,465
Balance at end of financial year	<u>802,518</u>	<u>1,513,465</u>

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Consolidated 2010	Consolidated 2009
17. Earnings per share	Cents per share	Cents per share
Basis earning per share	(1.40)	3.88
Diluted earnings per share	(1.40)	3.88
Basis earning per share	\$	\$
The earning and weighted average number of ordinary share used in the calculation of basis earning per share are as follows:		
Net profit/(loss)	(710,947)	1,513,465
Earning used in the calculation of basic EPS from continuing operations	(710,947)	1,513,465
	No.	No.
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,784,289	38,995,576
Diluted earnings per share	\$	\$
The earning and weighted average number of ordinary share used in the calculation of diluted earning per share are as follows:		
Net profit/(loss)	(710,947)	1,513,465
Earning used in the calculation of diluted EPS from continuing operations	(710,947)	1,513,465
	No.	No.
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,784,289	38,995,576
18. Commitments		
(a) <u>Chattel Mortgage</u>		
Chattel Mortgage related to motor vehicle with lease term of 3 years.		
No later than 1 year	13,709	13,708
Later than 1 year and not later than 5 years	38,566	52,275
Later than five years	-	-
Minimum future lease payments	52,275	65,983
Less future finance charges	(7,795)	(13,190)
Present value of minimum lease payments	44,480	52,793

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Consolidated 2010 \$	Consolidated 2009 \$
18. Commitments (Continued)		
Disclosed in the financial statements as borrowing:		
- Current	9,275	8,313
- Non current	35,205	44,480
	<u>44,480</u>	<u>52,793</u>
 (b) <u>Non-cancellable operating leases</u>		
Operation leases related to office rented with an option to extend.		
No later than 1 year	16,560	4,400
Later than 1 year and not later than 5 years	-	-
Later than five years	-	-
	<u>16,560</u>	<u>4,400</u>
 (c) <u>Capital commitments</u>		
Property, plant and equipment payables:		
No later than 1 year	63,201	-
Later than 1 year and not later than 5 years	-	-
Later than five years	-	-
	<u>63,201</u>	<u>-</u>

19. Related party transactions

(a) Subsidiaries

		Ownership interest 2010 %	Ownership interest 2009 %
Name of subsidiary	Country of incorporation		
MGT Mining Limited (i)	Australia	75.24%	73.76%
Garimperos Limited (ii)	Australia	100.00%	100.00%

- (i) Xtreme Resources Limited has changed its name to MGT Mining Limited as at 20 September 2010.
- (ii) Garimperos Limited is 100% owned by MGT Mining Limited

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

(b) Transactions with related parties

	Consolidated 2010 \$	Consolidated 2009 \$
Loan to directors		
Beginning of the year	-	-
Loan advanced	108,000	-
Loan repayments received	(33,500)	-
Interest charged	-	-
	<u>74,500</u>	<u>-</u>
Loan from directors		
Beginning of the year	-	-
Loan advanced	400,000	-
Loan repayments received	-	-
Interest charged (i)	-	-
	<u>400,000</u>	<u>-</u>

- (i) The company has entered into a deed of charge with the Chairman to borrow \$ 400,000 on 29th June 2010. The interest is charged at 8% per annum, no interest charged for this financial year

20. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents included cash on hand and in banks and investment in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated 2010 \$	Consolidated 2009 \$
Cash and cash equivalents	<u>959,126</u>	<u>2,580,691</u>
	<u>959,126</u>	<u>2,580,691</u>

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

(b) Reconciliation of profit for the period to net cash flows from operating activities

	Consolidated 2010 \$	Consolidated 2009 \$
Profit/(loss) for the year	(800,340)	1,551,037
<u>Non-cash flow items</u>		
(Gain)/loss on sale of shares	(28,755)	(95,248)
(Gain)/loss on acquisition of subsidiary	(9,373)	(1,791,117)
Depreciation expense	65,309	10,330
(Increase)/Decrease in current receivables	(225,784)	(33,387)
Increase/(Decrease) in trade creditors	245,502	52,374
Increase/(Decrease) in other creditors	(80,998)	(185,637)
Increase/(Decrease) in Provisions	36,630	7,847
Net cash from operating activities	<u>(797,809)</u>	<u>(483,801)</u>

21. Parent entity disclosure

(a) Financial position

	30 June 2010 \$	30 June 2009 \$
Assets		
Current assets	2,134,794	1,146,115
Non-current assets	2,164,741	2,127,939
Total assets	<u>4,299,535</u>	<u>3,274,054</u>
Liabilities		
Current liabilities	205,372	64,775
Non-current liabilities	438,376	44,480
Total liabilities	<u>643,748</u>	<u>109,255</u>
Equity		
Issued equity	4,252,508	3,255,092
Retained earning	(545,570)	(96,893)
Reserve		
Investment revaluation	(51,151)	6,600
Total equity	<u>3,655,787</u>	<u>3,164,799</u>

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Parent entity disclosure (Continued)

(b) Financial performance

	2010 \$	2009 \$
Profit/(loss) for the year	(448,677)	(96,893)
Other comprehensive income	(57,751)	6,600
Total comprehensive income	(506,428)	(90,293)
	Consolidated 2010 \$	Consolidated 2009 \$

22. Auditors remuneration

Audit services

Audit and review of financial reports	35,000	30,000
---------------------------------------	--------	--------

23. Key management personnel disclosures

(a) Key management personnel compensation

2010	Short-term employee benefit Cash salary and Fees \$	Post- employment benefit Superannuation \$	Long-term benefits Long service leave \$	Share-based payments \$	Total \$
------	--	--	--	-------------------------------	-------------

Non-executive directors

R. Rebek	-	-	-	-	-
H. Li	-	-	-	-	-

Key management personal compensation (Group)

J. Back	-	-	-	-	-
G. Monemvasitis	81,149	7,303	2,401	-	90,853
G. Kuo	78,311	7,048	770	-	86,129
Total:	159,460	14,351	3,171	-	176,982

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

23.Key management personnel disclosures (Continued)

(b) Share holdings

2010	Balance at the start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Consolidated Group				
Ordinary shares				
J. Back	11,500,000	-	1,200,000	12,700,000
G. Monemvasitis	8,600,001	-	100,000	8,700,001
G. Kuo	7,500,000	-	40,000	7,540,000
R. Rebek	-	-	-	-
H. Li	200,000	-	-	200,000

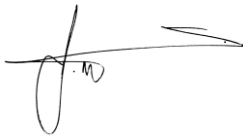
MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
DIRECTOR'S DECLARATION
30 JUNE 2010

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity;
- (c) In the directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and
- (d) The directors' have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'G. Monemvasitis', with a long horizontal stroke extending to the right.

George Monemvasitis
Director

Dated: 29th September 2010

Independent Auditor's Report to the members of MGT Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of MGT Resources Limited and which comprises the consolidated statement of financial position as at 30 June 2010, and the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year ended 30 June 2010.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretation) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion:

- a) the financial report of MGT Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in note 23 for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of MGT Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Duncan Dovico Chartered Accountants



Rosemary Megale
Partner
Sydney, 29th September 2009

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
(FORMERLY KNOWN AS MONO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES)
ADDITIONAL STOCK EXCHANGE INFORMATION AS AT 14 SEPTEMBER 2010

The shareholder information set out below was applicable as at 14 September 2010

A. Distribution of equity securities

Analysis of numbers of equity security holder by size of holding:

Holding	Class of equity security			
	Ordinary shares		Redeemable preference shares	Convertible notes
	Shares	Options		
1 – 10,000	30	-	-	-
10,001 – 50,000	13	-	-	-
50,001 – 100,000	1	-	-	-
100,001 – 500,000	21	-	-	-
500,001 – 1,000,000	4	-	-	-
1,000,000 – 5,000,000	2	-	-	-
5,000,000 and over	4	-	-	-
	75	-	-	-

B. Equity security holders

Twenty-one largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary Shares	
	Number held	Percentage of issued shares
JONATHAN PAUL BACK	12,700,000	24.08%
IRON ORE TRADING PTY LTD	8,700,000	16.49%
KUOKAI PTY LTD	7,540,000	14.29%
BAAO INVESTMENTS PTY LTD	7,500,000	14.22%
BAAO INTERNATIONAL TRADE CO	5,000,000	9.48%
ALAN KAI-YUAN CHENG	1,900,000	3.60%
CLIVE JAMES MCKERR	753,750	1.43%
PANOS LEVENDIS & ATHENA LEVENDIS	665,000	1.26%
CARY CHEN	560,000	1.06%
CONSTANCE KYRIAZAKOS	502,425	0.95%
JENNY WAN-CHEN CHENG	500,000	0.95%
MR GRAEME EDWARD JOHNSTON	500,000	0.95%
JASON RALPH COX	400,000	0.76%
ROBERT HOWE & ROSE HOWE	400,000	0.76%
NATIONAL NOMINEES LIMITED	400,000	0.76%
NEGARA INVESTMENTS LIMITED	400,000	0.76%
MR MIKE NICHOLAS LEVENDIS & MRS SYLVIA LEVENDIS	375,000	0.71%
MR YANG ZHANG	360,000	0.68%
MR ZHI YONG MA	350,000	0.66%
MR JAYSON CHAU	296,250	0.56%

C. Substantial holder

Substantial holders in the company are set out below:

Ordinary shares	Number held	Percentage
JONATHAN PAUL BACK	12,700,000	24.08%
IRON ORE TRADING PTY LTD	8,700,000	16.49%
KUOKAI PTY LTD	7,540,000	14.29%
BAAO INVESTMENTS PTY LTD	7,500,000	14.22%